

1 Jeffrey L. Hartman, Esq., #1607  
2 **HARTMAN & HARTMAN**  
3 510 West Plumb Lane, Suite B  
Reno, Nevada 89509  
4 Telephone: 775.324.2800  
Fax: 775-324-1818  
notices@bankruptcyreno.com

5 Attorney for Debtor-in-Possession

6 **UNITED STATES BANKRUPTCY COURT**

7 **DISTRICT OF NEVADA**

8

9 IN RE:

CASE NO. 16-50850-BTB  
CHAPTER 11

10 LEAP FORWARD GAMING, INC.,

11 Debtor-in-Possession.

**AMENDMENT TO (Proposed)  
DISCLOSURE STATEMENT OF LEAP  
FORWARD GAMING, INC.**

14 **Hearing Date: September 6, 2016  
Hearing Time: 2:00 p.m.**

15 \_\_\_\_\_ /  
16 Leap Forward Gaming, Inc. (the “Debtor” or “LFG”), debtor and debtor-in-possession,  
17 amends proposed Disclosure Statement, **DE 51**, to include, in Section 3a. the following:

18 **Pre Petition Litigation**

19 In addition to the litigation with IGT described below, at the Petition Date, LFG was a  
20 party to three lawsuits:

21 1. LFG v. Andrew Novotak, Jr., Case No. CV15-02014, Second Judicial District  
22 Court, Washoe County;

23 2. Andrew Novotak, Jr. v. LFG, Ali Saffari, Case No. CV15-02420, Second Judicial  
24 District Court, Washoe County; and

25 3. Peerless Indemnity Insurance Company v. LFG, Saffari, Cobb, and Cunningham,  
26 Case No. 2:15-cv-02390-APG-CWH, United States District Court, Las Vegas.

1 Civil actions 1 and 2 have been consolidated and as of the Petition Date, documents have  
2 been exchanged in accordance with NRCP 16.1.

3 In these cases, LFG's claims against Novotak are essentially contingent assets which LFG  
4 may pursue against Novotak. [Note: on August 24, 2016, the parties to these consolidated actions  
5 participated in a voluntary settlement conference conducted by retired District Court judge Brent  
6 Adams. No settlement was reached. Following that conference, LFG consented to the lifting of  
7 the automatic stay to permit Novotak to pursue claims in state court on the condition that any  
8 recovery would be limited to available insurance proceeds, if any.  
9

10 In the event the settlement conference is unsuccessful, LFG reserves the right to pursue its  
11 affirmative claims against Novotak.

12 Civil action 3, Peerless Indemnity v. LFG, et al. is a declaratory relief action pending in  
13 federal court. Peerless seeks a determination that LFG, Saffari, Cobb and/or Cunningham are not  
14 entitled to coverage under a Commercial General Liability Policy or a Commercial Umbrella  
15 Liability Policy.  
16

17 LFG has not filed an answer to the Peerless action; however, in the event it is required to  
18 do so, available coverage is deemed by LFG to be an asset of the bankruptcy estate.

19 **Leap Forward Gaming, Inc.**

20 By /S/ Darby Bryant  
21 Darby Bryant, CFO/Controller

22 DATED: August 25, 2016.

23 **HARTMAN & HARTMAN**

24 /S/ Jeffrey L. Hartman  
25 Jeffrey L. Hartman  
26 Attorney for Debtor  
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